

The Financing of the Seven Academic Finance Associations and their Journals

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■ In the future there may be people involved in establishment of academic professional associations who would like information on financial problems that may arise. To assist them, the collected experiences of hundreds of people who have been involved in developing and managing the seven academic finance associations have been drawn upon here. In a new organization particularly, handling money is relatively unimportant, usually because there is not enough to cause concern. The essence of finance, particularly in early years, is arranging activities of the association so that needs for cash do not outstrip receipts. Thus, perhaps emphasis should be on activities management rather than money management.

Factors Influencing Financing Policies and Procedures

The manner in which an association operates financially is subject to at least three factors beyond its control, one of which is its age, or degree of

maturity. At first, most associations operate under conditions of financial stringency that impose restraints upon their activities. The second external factor is association size; small size obviously restricts choice among types of activities. Frequently larger size comes with age, and thus the limitations felt in early years tend to disappear. The third factor beyond control of the association itself is level of sponsorship from associations, universities, businesses, and individuals; subsidies gradually disappear as an association develops self-sufficiency.

In addition, there are several operational aspects that can have tremendous impact on finances. These include size of the membership, geographical region served, fields of interest, degree of concentration in control and management, elaborateness of meetings, number and types of publications, and other services performed. Examples of ways in which these factors — age, size, sponsorship available, and style of opera-

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tion — interrelate can be found in the histories of the seven academic finance associations, none of which is a clone of any other [9].

Absence of Preliminary Financial Requirements

Typically, the first step in formation of an academic association is an informal meeting of a few people. Almost invariably the first activity planned is a meeting with an exchange of ideas (in the form of a few papers, a panel presentation, or just an informal discussion on an announced topic). All that remains to convert such an informal gathering into an organization is selection of a name, adoption of a minimal set of by-laws, and appointment of an individual to take responsibility for convening and planning the next meeting. Occasionally groups operate on this scale for years before starting other activities.

Financing Requirements During Early Years of Operation

Establishing an association as a satellite of another in a related field is much simpler than trying to start a new one without such fostering. The latter process usually involves a long struggle for recognition and acceptance, as is evidenced by the very small number of attendants at the first five annual meetings of the Appalachian Finance Association, predecessor to the Eastern Finance Association (EFA) (Exhibit 1), and the fact that it was not until the ninth such meeting that the 200-level was passed. The early record of the Financial Management Association (FMA) may appear less precarious, but what is not obvious is the tremendous five-year promotional effort needed to reach the level of 600 attendants, a comfortable minimum for a national association. Because operation of annual meetings generally is the first activity conducted by academic associations, this aspect of association financing will be treated first.

The Financing of Annual Meetings

Registration Fees

When meeting as a satellite of another association, an association usually does not collect registration fees directly, although some portion of any surplus (or deficit) generated by the joint convention may be shared (as is shown for the American Finance Association (AFA) in Exhibit 1). Few of the regional associations ever obtained shares of surpluses result-

ing from conventions at which their meetings were held; an exception was the Southern Finance Association (SFA) that obtained from the Southern Economic Association an agreement including such sharing provisions in 1974 when the SFA's participation in conventions was being solicited by the Allied Southern Business Association [12, p. 3].

For new associations meeting independently, it is important that registration fees be kept low. For the first five meetings of the EFA these fees covered only the cost of the business meeting luncheon. In 1974, the SFA, in an effort to stimulate members' interest, underwrote the cost of breakfast for its annual business meetings; attendance, which between 1965 and 1973 had been averaging 8 to 15, jumped to 40; two years later the arrangement was changed to a luncheon business meeting, and since that time attendance has never been less than 80 [12, p. 4].

Because institutions frequently will pay registration fees for faculty members, but not annual dues, it has become customary to increase these fees substantially and in some cases to include costs of items such as luncheons, banquets, coffee breaks, wine-and-cheese and cocktail parties, and a proceedings issue. Furthermore, non-member attendants often are expected to contribute to association overhead costs by a registration surcharge. The result is that by 1979 or 1980 several associations had raised their basic fees to \$20 or \$30, not including surcharges for non-members and for those not paying in advance; for students, the AFA and MFA have reduced registration fees.

Expenses and Miscellaneous Revenues of Annual Meetings

When meeting as a satellite of another organization, an association finds that expenses of running annual meetings are quite low, unless it decides to print its own meeting announcements, programs, and proceedings (as did the Western Finance Association (WFA) in 1977 and 1978 — see Exhibit 1). But if an association operates meetings independently, service expenses can mount rapidly. In early years of operation it is usually possible for such services to be performed by association members and for many incidental expenses to be covered by host institutions. In addition, local businesses often are willing to make grants, either in the form of cash or sponsorship of coffee breaks and other entertainment. Other sources of revenue include publishers who are willing to sponsor cocktail parties, rent exhibit space, and advertise in programs.

Exhibit 1. Annual Meetings: Registration Fees, Attendance, and Surpluses Generated

	AFA ¹		EFA		WFA		FMA		MFA ⁴		SFA	
	Annual Surplus	Attendance	Regis. Fee	Annual Surplus	Attendance	Regis. Fee ²	Annual Surplus	Attendance	Regis. Fee ³	Annual Surplus	Attendance	
1962	\$ 721											
1963	1,085											
1964	1,417											
1965	1,366	35	\$ 3.50 ⁵	0								
1966	2,843	40	5 ⁶	0								
1967	2,551	45	5 ⁶	\$225								
1968	1,997	58	5 ⁶	320								
1969	940	48	4.50 ⁶	485								
1970	1,808	108	3	1,005								
1971	961	120 ⁷	3	1,155								
1972	962	150	6						5	\$1,090		
1973	(1,676)	210	12 ⁸						10	2,721		
1974	(44)		20 ⁹						10	2,818		
1975	(4,111)	252	25 ^{9,10}	2,269					12.50	2,076		
1976	(838)		25 ^{9,10}	4,568					17.50 ¹⁰	5,347		238 ⁹
1977	1,349		25 ^{9,10}	2,233					20 ¹⁰	10,317		1,068 ⁹
1978	(1,277)	299	25 ^{9,10}	2,577	97				20 ^{10,11}	14,422 ¹²		1,027 ⁹
1979		400 ⁷	30 ^{9,10}	3,611	256	20			20 ^{10,11}	16,011 ¹²		14 ⁹
1980						20					1,450	370

¹ AFA: Registration fees collected by Allied Social Sciences Association.

² WFA: Registration fees collected by Western Economics Association through 1978.

³ FMA: Student registration fees at one half the regular rates after 1971.

⁴ MFA: Does not include non-dues-paying attendants; attendance at 1980 meeting: 335 members, 370 total.

Registration fees: 1976-1980: \$2 when combined with payment of dues of \$5 in 1976, \$7.50 thereafter; \$5 for non-members.

⁵ SFA: Attendance 80 to 100 in each of the last 15 years.

⁶ AFA: Registration fees: 1979 \$15¹⁰; 1980 \$20¹⁰; full-time students \$5.

⁷ EFA, FMA: Approximate.

⁸ EFA: Includes business-meeting luncheon.

⁹ EFA and MFA: Includes proceedings issue.

¹⁰ AFA, EFA, and FMA: Plus \$5 extra charge when not paid in advance; (\$2.50 extra in 1975 for FMA).

¹¹ FMA: Plus \$10 extra for non-members.

¹² FMA: After deduction of program-committee expenses of \$958 in 1978 and \$2,959 in 1979.

Blanks indicate data not available. Parentheses indicate deficits.

SOURCE: AFA [1]; FMA [2, 3, 5]; WFA [13]; SFA [11]; MFA [10]; EFA: Various reports of the associations.

Publication of Proceedings as Part of the Annual Meeting Operation

The largest item of annual meeting expense often is publication of proceedings, when costs are covered at least partially by registration fees. This practice was started by the Southwestern Finance Association (SWFA) in 1965, the MFA in 1972, and the EFA in 1973. On the other hand, proceedings of the AFA constitute one annual volume of its journal, those of the WFA appear similarly in the *Journal of Financial and Quantitative Analysis (JFQA)* while those of the SFA appeared from 1965 through 1973 in the *Southern Journal of Business*. The FMA is the only association in the group never to have published proceedings of its meetings. In recent years Louisiana State University has aided the SWFA in publication of its proceedings, as have institutions that have hosted certain meetings of the EFA.

The Impact of Annual Meetings on the Financing of Associations

When operated as satellites of other groups, annual meetings can be a drain on the finances of an association, especially if costs of proceedings come out of general funds and if the association does not obtain a share of any surpluses generated. This is illustrated by the experience of the WFA from 1969 through 1978 (Exhibit 1). Even where surpluses accrued, as in the case of the AFA, allocation of publication costs of the annual proceedings volume of the *Journal of Finance* probably would have converted the aggregate effect of annual meetings into a deficit. Thus, under the satellite style of operation it appears that operations of annual meetings generally are a financial drain on an association.

From comparison of the results of the four independently operated meetings in 1979 it may be concluded that independent operation of meetings can be very profitable (Exhibit 2). The MFA figures show that it is possible to break even financially and still publish proceedings, with total revenues per attendant of less than \$10. With a registration fee of \$20 and attendance of 256, the WFA generated a net profit of nearly \$8.50 per attendant, but costs of the proceedings issue were not included. The EFA, with a high registration fee of \$30, was able to show a net profit of \$9.00 per attendant, and still provide a luncheon and a proceedings issue. The FMA, with registration fees midway between those of the WFA and EFA, was able to produce per capita net earnings nearly double those of the latter two regionals, apparently because

Exhibit 2. Comparison of Financial Results of Independently Operated Annual Meetings in 1979

	MFA	WFA	EFA	FMA
Registration fee:				
Members	\$9.50 ¹	\$20	\$30 ²	\$20 ²
Non-members	\$5	\$20	\$30 ²	\$30 ²
Proceedings included	yes	no	yes	no
Luncheon included	no	no	yes	no
Attendance	332	256	400 ³	910
Surplus generated	\$14	\$2,146	\$3,611	\$16,011 ⁴
Surplus per attendant	\$0.42	\$8.38	\$9.03	\$17.59

¹ Dues of \$7.50 plus registration fee of \$2.00 (\$2.50 in 1981).

² Plus \$5 surcharge when not paid in advance.

³ Approximate.

⁴ After deduction of \$2,959 expenses of program committee.

SOURCE: Exhibit 1.

no proceedings were published and because of high attendance. These experiences provide a wide range of combinations that should be useful to association of officers in planning their activities.

Financing of Publications

The two principal activities of finance associations — operation of annual conventions and publication of journals — differ markedly in financial characteristics. Within the ranges of attendance experienced at conventions in this discipline, two aspects of leverage seem to be at work: no perceptibly lower levels of attendance are observed with higher registration fees in effect, and costs rise but slowly as the size of an association's meeting increases. Even when all costs are made explicit and are borne by the sponsoring associations, it seems nearly impossible for independently operated meetings not to generate surpluses as attendance levels rise higher and higher above the apparent breakeven level of about 150.

On the other hand, breakeven levels in publication activities are high and rising, subscriber response is elastic, and costs are subject to the ravages of inflation. As a result, it will be shown here that, while growth in associations makes possible changes in convention arrangements that enhance their surplus-generating ability, the same growth tends to induce associations to adopt new styles of publishing activities that increase costs significantly.

Methods of Controlling Costs of Publishing Proceedings

In established organizations, the finance function is thought of as involving largely the budgeting of available resources among optimal uses, or selection

of methods of raising needed funds. In a new association, operated by a changing group of volunteers, neither of these luxuries can be afforded; the art of financing in early years consists of accomplishing certain objectives without cost, or at most with very little cost to the association. Effective cost control in connection with publications of a new association generally is achieved in four ways: 1) delaying start and expansion of publication; 2) adjusting type and scale of publication to financial capacity; 3) selecting economical methods of production; and 4) relying upon subsidies.

Delaying Start and Expansion of Publications

Three of the seven associations started publication of their proceedings within a year of establishment; on the other hand, the MFA waited 18 years, the SFA 6, the SWFA 3, and the FMA has never started. Such delays may or may not be brought about by financial considerations [9, Exhibit 3].

Adjusting Type and Scale of Publications to Financial Capacity

With the exception of the FMA, the first publication of every association has been a proceedings issue or an annual journal with refereed articles developed from papers presented at annual meetings. Four associations, the EFA, MFA, SFA, and SWFA, limited themselves to this format for 7, 9, 12, and 13 years, respectively. The other three associations aimed immediately at publication of quarterly journals: the WFA achieved this in its second year, the AFA in its fourth year after the hiatus caused by World War II, and the FMA nominally in its third year (although actual appearance of issues was delayed). On the other hand it was not until its fifteenth year that the EFA was able to afford a quarterly journal, and the SWFA and SFA were in their 17th and 19th years of operation before they joined in sponsorship of the *Journal of Financial Research* (that reached a frequency of three issues per year three years later).

An extremely effective method for controlling costs of publishing proceedings is to limit the number and types of items carried. In contrast to publication of the full texts of all papers presented, including comments by discussants, some associations have imposed various limitations: some have carried only one-page abstracts; others, like the MFA, have restricted publication to only eight or ten selected, edited, and revised papers; others have followed the latter policy

but also carried some abstracts; still others have limited the length of published papers.

Selecting Economical Methods of Production

Financially, there are several advantages in limiting publication to proceedings issues: fewer copies need to be produced and almost none retained for back orders; often assistance can be obtained from the college or university that hosted the meeting; and most important, much less costly methods of production can be used. These include use of letterhead-size pages, use of mimeograph or offset methods of reproduction on an in-house basis, and the supplying of typed stencils or camera-ready copy by authors, thus avoiding about half the printing cost.

Relying upon Subsidies

Frequently universities hosting annual meetings are willing to cover some, and occasionally all costs of publishing proceedings issues because they realize that costs will be low, that there are public relations benefits to be gained, and that they will not become involved in a continuing responsibility. Even when they are not able to assume out-of-pocket costs such as for printing and binding, however, they may be willing to provide use of their facilities, supplies, and telephone, photocopying, mailing, and secretarial services [9, p. 62].

The Financing of Journals Issued Annually

Superficially there may seem not to be much difference between a well-turned-out proceedings issue and an annual journal, but the following characteristics of the latter should be noted: 1) continuity of editorial board and publisher; 2) articles other than those based upon papers presented at annual meetings; 3) departments not related to annual meetings, such as book reviews, abstracts of doctoral dissertations, and letters to the editor; 4) format and appearance of a scholarly journal; 5) numbering by volumes and issues; 6) development of library subscriptions; 7) recognition by indexing services, publishers of digests, and library subscription agencies; 8) recognition by publishers, evidenced by insertion of advertisements regularly; 9) recognition by scholars, evidenced by quotations and references, and 10) more rigorous screening of papers.

In the field of finance there have been only two jour-

als that have shown a significant number of these characteristics, *The Financial Review* (now a quarterly) and the *Journal of Financial Education (JFE)*. The former has enjoyed considerable subsidy from institutions and others [9, p. 62], while the latter has been independent of both association and university support [9, p. 62]. The production method used by the *JFE* has consisted of typewritten copy reproduced on letterhead-size sheets, reduced 20% by offset. During the last six years 87% of revenues have come from subscriptions from libraries and individuals (the combined total of which has never exceeded 360), with none from association funds or university subsidies. This publication is unique in being the only one never to have shown a deficit.

The Financing of Quarterly Journals

To shift from publication of proceedings issues or an annual journal to a quarterly journal is a move of greater magnitude than a mere change in the number of issues would imply. The impact on financing is equally great. While operation of annual meetings and publication of proceedings issues can be handled by different people each year without significant loss in efficiency and effectiveness, publication of quarterly journals requires continuity of staff.

Publication of quarterly journals must conform to standards, requirements, and customs of professionals in many fields besides the purely academic: libraries; indexers and abstractors; postal authorities; compositors, printers, and binders; subscribers and subscription agencies; advertisers; the copyright office; microfilm producers; and, of course, authors, members of the association, and other scholars. Those who ignore these "mechanistic" aspects may be faced with the trauma of an issue being refused mailing privileges because of lack of technical compliance with postal regulations or a sudden wave of cancellations in memberships, subscriptions, and advertisements because of delays in production. Publication of a quarterly journal also requires operation of several supplementary activities such as maintenance of mailing lists and "fulfillment" (the handling of relationships with subscribers); storage and sale of back copies; preparation and sale of reprints; issuance of permissions to reproduce articles; soliciting, handling, and billing of advertisements; and handling of a series of promotional campaigns. Thus a large part of the overhead costs of an association that publishes a quarterly journal probably should be attributed to that operation. Furthermore, some of the functions men-

tioned above, in addition to association, printing, and binding, probably will be let out to independent contractors, thus increasing direct costs considerably.

Publication of quarterly journals by associations in the field of finance has been achieved and maintained in only three instances (the *Journal of Finance*, the *JFQA*, and *Financial Management*), while one (the *Southern Journal of Business* and its successor, the *Journal of Business Research*) did operate in this manner for several years before the University of Georgia transferred the latter to a commercial publisher. *The Financial Review* has just reached quarterly status and the *Journal of Financial Research* is being published three times per year. The magic of quarterly issuance is that many libraries will not subscribe to, and most indexing services will not list, periodicals that appear less often.

This study of the financing of quarterly journals will have to be confined to the *Journal of Finance*, the *JFQA*, and *Financial Management*, the only ones for which sufficiently long series of data are available. They will be referred to as quarterly journals even though the *Journal of Finance* and the *JFQA* are published five times per year.

Costs of Publishing Quarterly Journals

The *Journal of Finance* became a quarterly in its fourth year of publication, 1949, and since 1968 has published five issues each year (including one large proceedings issue). All aspects of composition, printing, binding, and mailing are handled by a company specializing in producing journals. Breakdowns of expense since 1962 for the association as a whole are presented in Exhibit 3, and while there is no indication of the portion allocable to the journal it may be estimated that if activities of the association were limited to an annual meeting and a proceedings issue these expenses would be lowered by nearly 80%. These estimates are reflected in Exhibit 3, together with a schedule of estimated average annual expense per subscriber for the journal.

Corresponding figures for the *JFQA* are given in Exhibit 4: total expenses (all of which relate to the publication, since no expenses of the WFA are included) are much less than half those of the *Journal of Finance* in absolute amount, but nearly two-thirds greater on a per subscriber basis. Apparently this results from the fact that the circulation of the latter journal is four times larger than that of the former. Probably the outstanding example of cost awareness is found in the *JFQA*, which, in spite of paid circulation of 2,125 and five issues per year in 1980, has always

Exhibit 3. The American Finance Association: Expenses 1962 through 1978 (Years Ending September 30)

Year	Journal Printing	Proof-reading and Editing	Mailing and Stationery	Billing and Clerical	Reprints-Net Expense	Station- and Supplies	Officers' Expense Allowances	Directors' & Officers' Expenses	Total Expenses	Est. Cost of Journal† (80% of total expenses)	Combined Members & Subscribers	No. of Average Cost per Paid Subscription	No. of Pages per Yr	
1962	15,061	522	\$2,021	\$660	\$238	\$634	\$900	\$51	\$20,087	\$16,070	2,701	\$5.95	750	
1963	18,708	442	1,398	386	550	576	2,600	89	26,250	21,000	2,915	7.21	726	
1964	20,634	444	1,864	517	655	1,015	4,100	647	29,876	23,901	3,189	7.50	752	
1965	20,293	222	2,415	933	567	229	\$356	173	29,288	23,430	3,540	6.62	780	
1966	29,265	190	2,709	1,787	702	801	5,100	917	41,669	33,335	4,012	8.31	780	
1967	30,152	100	2,861	1,834	1,028	744	11,100	1,512	49,576	39,661	4,270	9.29	734	
1968	38,621	159	2,498	3,693	524	776	11,200	330	57,801	46,241	4,408	10.49	942	
1969	44,856	250	2,105	3,216	1,131	903	11,200	125	64,019	51,215	5,017	10.21	1,043	
1970	59,160	238	2,689	2,541	686	422	13,700	158	79,576	63,661	5,582	11.83	1,236	
1971	65,609	85	2,811	3,510	1,643	(817)	13,700	250	87,309	69,947	5,526	12.64	1,210	
1972	54,833		3,440	5,505	1,007	2,079	13,700	558	80,330	64,010	5,668	11.30	1,219	
1973	61,263		5,778	6,398	3,183	2,284	13,700	170	152	92,955	74,364	5,991	12.42	1,418
1974	85,094		6,228	3,948	2,626	1,847	20,950	1,105	460	123,258	98,606	6,800	14.94	1,632
1975	84,643		6,837	4,656	1,087	2,079	18,871	108	172	121,573	97,402	6,860	14.20	1,418
1976	80,774		7,410	3,997	875	2,465	20,950	1,453	245	120,169	96,135	7,021	13.67	1,554
1977	82,179		12,049	3,195	1,726	(1,719)	20,950	44	177	120,661	96,481	7,091	13.61	1,490
1978	110,605		13,714	22,585	3,543	(618)	23,950	488	154,467	123,576	7,180	17.21	1,286	
1979											8,239			

† Based on published costs estimated at 80% of total annual expenses; no adjustment made for five issues per year after 1968.

‡ Four issues per year, 1962 to 1968; five issues thereafter.

§ Parentheses indicate deficits.

Exhibit 4. Journal of Financial and Quantitative Analysis: Expenses

Year*	No. of Issues†	Direct Expenses					Indirect Expenses (excluding editors)					Total	
		Printing	Promotion	Typing	Misc.	Total	Editorial	Subscription	Secretarial	Services	Total	Expenses	Subscriptions
1967	4	\$4,424	\$983	\$192	\$4,790	\$2,768	\$400	\$619	\$3,787	\$8,586			
1968	4	6,201	343	170	6,714	3,134	1,800	700	5,634	12,348			
1969	4	6,384	300	167	6,851	4,200	1,950	800	6,950	13,801			
1970	4	10,700	652	200	11,552	3,825	1,750	600	6,175	17,727	1,100	\$16.11	
1971	4	14,098	808		\$1,578	204	1,688	4,320	6,077	23,565	1,300	16.13	
1972	5	13,416	1,724		845	490	16,275	4,530	2,012	1,509	8,051	1,250	16.62
1973	5	14,997	2,040		526	563	16,127	5,590	3,093	757	9,440	1,500	16.38
1974	6	21,784	2,553		824	200	25,141	6,267	3,780	4,885	14,892	1,455	27.51
1975	5	21,001	3,283		926	279	25,469	7,166	5,000	2,920	15,086	1,591	25.50
1976	5	19,264	3,372		785	322	23,743	7,052	7,500	2,220	14,772	1,792	21.49
1977	5	20,515	3,103		925	1,500	26,043	8,160	6,192	1,993	16,345	1,960	22.31
1978	5												1,960
1979	5												2,125

* Years ending June 30 through 1974; May 31 thereafter.

† Four issues in 1966.

‡ Approximate.

§ Blanks indicate data not available.

|| SOURCE: [6].

Exhibit 6. Library Subscriptions

Year	Journal of Finance		JFQA		Financial Management		Financial Review		Journal of the Midwest Finance Association		Journal of Financial Education		Journal of Financial Research	
	Rate	No. Receipts	Rate	No. Receipts	Rate	No. Receipts	Rate	No. Receipts	Rate	No. Receipts	Rate	No. Receipts	Rate	No. Receipts
1962		946	\$4,881											
1963		996	5,722											
1964	\$7.50	1,092	7,756											
1965	7.50	1,270	9,019											
1966		1,534	10,185	\$6	330	\$1,980								
1967		1,473	10,085	6	722	4,336								
1968		1,663	16,637	7	629	4,401								
1969		1,833	23,117	10	663	6,636								
1970		2,045	34,567	15	988 ¹	14,825 ¹								
1971	15.00	2,305	38,244	15	770	11,546	\$15	484	\$2,369	4	112	388		
1972	17.50	2,347	37,513	15	635	9,527	20	545	13,210	5	101	256		
1973	17.50	2,748	47,304	15	1,217	18,269	20	546	11,165	5	81	751		
1974	20.00	3,210	48,206	15	1,197	17,963	20	558	4,647	5	88	1,000		
1975	25.00	3,404	65,454	20	1,160	23,198	30	413	11,415	5	97	996	\$2.50	64 ⁴
1976	25.00	3,684	65,302	25	1,001	25,022	30	718	28,370	25	137 ³	1,202 ³	2.50	158 ⁴
1977	25.00	3,714	64,940	25			30	795	26,598	25	152 ³	4,491 ³	2.50	211 ⁴
1978	35.00	3,779	66,990	25			35	913 ²		25	116 ^{2,3}		2.50	211 ⁴
1979	35.00			25									6	
1980	35.00			25									6	

⁴ Calculated from Receipts/Rate.

Blanks indicate information not available.

SOURCE: Reports of the various associations and publications.

* Includes sales of single copies.

¹ May include some subscriptions for individuals.

² Through October 1980.

³ Libraries and institutions combined.

business conditions. Advertising revenues are variable for all quarterly journals, even the *Journal of Finance*, the most consistent producer (Exhibit 7). For proceedings issues and journals that appear less than quarterly, advertising revenues are helpful but not a large factor.

Manuscript fees. A recently developed source of revenues for professional journals in the field of

finance consists of manuscript evaluation fees levied on all submissions. These were introduced first by *Financial Management*, where they have been in effect since start of publication in 1972 (Exhibit 8). Receipts, exceeding \$1,600 in the latest full year reported, have always been placed directly in the association's treasury. Receipts for articles submitted to the *Journal of Finance* have grown from \$5,000 to \$8,500 per

Exhibit 7. Receipts from Advertisements in Journals

Year	<i>Journal of Finance</i>	JFQA	<i>Financial Management</i>	<i>Financial Review</i>	<i>Journal of the Midwest Finance Association</i>	
					<i>Journal of Finance</i>	<i>Journal of Education</i>
1962	\$2,782					
1963	3,384					
1964	3,628					
1965	4,626					
1966	4,853					
1967	4,568	\$250		\$25		
1968	4,899	227		75		
1969	6,874	191		50		
1970	5,333	638		25		
1971	4,640	1,047		0		
1972	5,082	100	\$476	50		
1973	4,193	250	360	200		
1974	3,515	350	1,340	400		
1975	4,025	195	427	300		
1976	3,881	660		1,050		238
1977	5,259	85	150	600	\$200	411
1978	6,095		1,209			
1979		0	1,666	650		

Blanks indicate information not available.

SOURCE: Various reports of the associations and publications.

Exhibit 8. Receipts from Manuscript Evaluation Fees

Year	Rate	<i>Journal of Finance</i>			JFQA	<i>Financial Management</i>		<i>Financial Review</i>		<i>Journal of Financial Research</i>
		Receipts	Disbursements	Net Change		Balance at End	Rate	Receipts	Rate	Receipts†
1972						\$10	\$420			
1973						10	660			
1974						10	940			
1975	\$20	\$5,160	\$2,835	\$2,325	\$3,053	\$10	10	690		
1976	20	6,683	7,025	- 342	2,711	10	10	1,070	\$10	
1977	20	7,401	3,892	3,509	5,441	10	10	811	10	
1978	20	7,430	5,942	1,488	6,929	25/15 **	10	1,304	10	\$380
1979	20	8,495	5,123	5,979*	-2,607	4,322	25/15 **	20/10 **	1,627	10
1980	20									
						25/15 **	20/10 **		15/10**	

* Office expenses.

†Blanks indicate data not available.

** Non-members.

SOURCE: Various reports of the associations and publications.

year, and most of this has been distributed to reviewers and associate editors, even though a surplus of nearly \$6,000 was used to defray accumulated office expenses of the editor in 1979.

While manuscript submission fees may not assist directly with publication costs, they do provide a means of compensating reviewers and editors, thus eliminating need for making such payments from other publication receipts.

Other Self-generated Publication Revenues.

Miscellaneous receipts are larger than appear in Exhibit 9 because some (such as sales of back issues) often are included with items such as library subscriptions. Reprints seem to be a losing venture where costs are incurred on a speculative basis, but possibly profits

can be produced under contracts to supply large quantities of reprinted articles for classroom use (as reported for *Financial Management* in 1979). On the other hand, royalties earned from permissions granted to others to reprint articles can be completely non-cost revenues.

While sales of back issues may appear to be profitable and an important service for libraries, most association officers view this as a bothersome and costly process involving storage, handling, and high postage rates. Consequently many of them turn over back copies to companies that specialize in handling this function.

Rentals of mailing lists, usually in the form of sales of mailing labels on a one-time-use basis, can produce

Exhibit 9. Miscellaneous Revenues from Publications

Year	Sales of Reprints			Sales of Back Issues		Royalties - Permissions to Reprint*	Sales of Mailing List	
	<i>Journal of Finance</i>	<i>Financial Management</i>	<i>Financial Review</i>	<i>Journal of Finance</i> *	<i>Financial Management</i>	<i>Financial Management</i>	<i>Financial Management</i>	<i>Financial Review</i>
	Receipts	Costs	Net					
1962 (238)				1,919				
1963 (576)				1,165				
1964 (1,015)				1,433				
1965 (229)				2,130				
1966 (801)				2,568				
1967 (744)				3,164				
1968 (776)				2,596				
1969 (803)				2,949				
1970 (422)				4,979				
1971 817				1,458			100	
1972 (685)	554	1,969	(1,415)	1,455	170		43	15
1973 (2,284)	775	1,427	(652)	2,040	287		30	
1974 (1,847)	193			1,338	10		136	
1975 (2,079)	83			1,161	256	69	133	
1976 (2,465)				2,691				
1977 1,719	313	413	(100)	4,186	0			30
1978 (618)	1,294 ¹		213	3,425	¹	724	545	
1979	931 ¹	1,107	(176)		¹	1,845	1,145	
	4,738 ²							
1980	1,000 ³							

* For the *Journal of Finance* royalties are included with sales of back issues.

¹ Receipts from sales of back issues included with those from sales of reprints.

² \$4,738 received for contracts to reprint 140 articles for classroom use.

³ For six months prior to April 18, 1980.

Blanks indicate data not available. Parentheses indicate deficits.

SOURCE: Various reports of the associations;

Journal of Finance: Reprints, Exhibit 3; Back Issues, Appendix 1.

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incidental revenues, but generally involve hidden costs such as computer time and supplies. But they serve an important function when exchanged with other associations or when offered to publishers as a "sweetener" to a contract for advertisements in journals or annual meeting programs.

Net Publishing Deficits of Quarterly Journals

In preceding sections, costs of financing the three well established quarterly journals have been explored, as have revenues resulting directly from these publications. Details and annual totals of such revenues are assembled for the *Journal of Finance* in Appendix 1, for *Financial Management* in Appendix 2, and for the *JFQA* in Appendix 3. Without exception, such revenues are lower than publishing expenses, resulting in net publishing deficits for each publication in each year of its existence. These net publishing deficits show the extent to which net costs of these publications require university subsidy (in the case of the *JFQA*) or use of the associations' general funds (in connection with the other two publications) (Exhibit 10).

Other Sources of Revenues for Associations

Thus far we have seen that the two principal activities of academic associations differ markedly in their financial effects: annual meetings often are a source of net revenues, while publications generally require funding (in the case of proceedings issues from annual meeting surpluses, and in the case of annual and quarterly journals from outside subsidies or associations' general funds). The latter sources of assistance or revenues will be treated here.

Subsidies

The types, amount, and duration of aid given by various universities have been discussed in detail elsewhere [9, p. 61], but here it should be mentioned in review that such assistance has ranged from actual publication by the sponsoring universities to the supplying of incidental services. The balancing of net gains from annual meetings against the amounts of net publishing deficits not covered by subsidies determines the amount that has to be raised by associations from membership dues and other sources such as interest and amortization of life members' dues.

Exhibit 10. Net Publishing Deficits of Quarterly Journals

Year	<i>Journal of Finance</i>	<i>JFQA*</i>	<i>Financial Management</i>
1962	6,488		
1963	10,729		
1964	11,084		
1965	7,655		
1966	15,729		
1967	21,844	4,678	
1968	22,379	5,171	
1969	18,275	7,024	
1970	18,692	7,341	
1971	25,505	3,305	
1972	19,960	3,458	14,430
1973	20,827	6,333	16,586
1974	45,547	13,268	16,378
1975	4,437	13,013	29,730
1976	24,603	1,115	
1977	18,587	2,158	48,061
1978	45,578		28,517
1979			26,378

*Deficits absorbed by University of Washington.

Blanks indicate data not available.

SOURCE:

Journal of Finance: Appendix 1;

JFQA: Appendix 3;

Financial Management: Appendix 2.

Membership Dues

Regular Members

Without exception, annual dues rates for regular members were introduced at low levels, such as \$2, \$3, or \$5, and have been increased only as needs for funds for publications and to offset inflation have appeared.

The SFA has held dues to \$2 annually throughout its history, except for surcharges of \$4 from 1967

through 1974 and \$8 since then that have been turned over to publishers of co-sponsored journals without guarantees of minimum total payments (Exhibit 11).

In its early years the SWFA operated under by-laws that specified "There shall be no dues or other assessments" [7], but this restriction was eliminated as costs of proceedings could no longer be carried by universities. In recent years the rate has risen to \$15, of which \$6 is allocated to publication of proceedings and \$8 is turned over to publishers of the *Journal of Financial Research*, thus leaving \$1 per member for general operation of the association (Exhibit 11).

The MFA, as has been explained earlier, in recent

years has obtained most funds for its annual meeting and related annual journal from membership dues that were \$5 in 1976 and \$7.50 thereafter (Exhibit 11).

The WFA's annual dues started at \$2, but were increased in its second through sixth years to \$7, of which \$1 was retained by the association after payment for a subscription to the *JFQA*. Since 1971 the *JFQA* has collected subscription fees directly from individual subscribers (all of whom are considered to be WFA members) and has turned over to the WFA 50¢ from each subscription. Through 1976 this provided revenues to the WFA of less than \$400 per year, but as subscription rates have been increased the amount

Exhibit 11. Southern Finance Association, Southwestern Finance Association, and Midwest Finance Association: Annual Dues and Membership Totals

Years Ending in	SFA			SWFA			MFA		
	Dues Rate	Number of Members	Receipts	Dues Rate	Number of Members	Receipts	Dues Rate	Number of Members	Receipts
1964	\$2	150							
1965	2						\$2.00		
1966	2	101					2.00		
1967	6 ¹	99			43		2.00		
1968	6 ¹				65		2.00		
1969	6 ¹	127			61		2.00		
1970	6 ¹	159	\$1,074		66		3.50		
1971	6 ¹	163	960		75		3.50		
1972	6 ¹	198	1,188	\$3	101		3.50		
1973	6 ¹	228	1,224	3	125		3.50		
1974	6 ¹	278	1,566	5	118	\$509	3.50		
1975	10 ²	286	1,722	7.25	146		3.50		
1976	10 ²	250	2,490		118		5.00	184	\$907
1977	10 ²	291	2,900		194		7.50	275	2,064
1978	10 ²	347	3,213		190	992	7.50	333	2,498
1979	10 ²	477	4,095	15		1,455		332	2,490
1980	10 ²	484	4,685	15			7.50	387	

¹ Includes \$4 for subscription to journal.

² Includes \$8 for subscription to journal.

Blanks indicate data not available.

SOURCE: Various reports of the associations.

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transmitted, have gone up to \$2, providing a total of \$1,900 in 1980 (Exhibit 12). Obviously this association benefits from having all individual subscribers to the *JFQA* as its members.

Associations that have published quarterly journals on their own responsibility have had to raise dues for regular members to considerably higher levels. The AFA has gone from \$3 in 1946 to \$22.50 at present (Exhibit 13), while the FMA started in 1971 at \$5 but doubled this in 1972 when publication began, and reached \$25 in 1980 (Exhibit 14). The EFA, which has just begun to publish quarterly (including one proceedings issue financed by annual meeting registration fees) was able to hold regular members' dues to \$3 for the first six years, \$5 for the next seven, and only \$10 in 1980 (Exhibit 15).

Sustaining Members

While associations are getting started, some

members give extra support by paying dues at rates higher than the low rates offered to attract initial membership. Typically such classes of sustaining, supporting, subscribing, or sponsoring membership are offered initially at double the regular fee, but as regular dues are increased, the premium for sustaining members tends to shrink and then the category generally is eliminated.

By offering subscribing memberships, the WFA received in its first year almost as much from 24 members as from the other 72 at regular rates (Exhibit 12); in its second year the amount was considerably larger. The AFA's experience with sustaining members started at least as early as 1951 (with a rate of \$10, double the regular dues rate) and continued through 1974, after which the category was eliminated; during the period from 1962 through 1974 an average of 270 sustaining members per year contributed a total of \$15,400 more than they would have

Exhibit 12. Western Finance Association: Dues Rates, Membership Totals, and Receipts

Years Ending in	Regular Members				Institutional Members				Supporting Members				Student Members	Combined Net for WFA
	Paid to <i>JFQA</i>	Paid to WFA	No. of Members	Net to WFA	Rate Paid to WFA	Paid by WFA to <i>JFQA</i>	No. of Members	Net for WFA	Paid to WFA	Paid by WFA to <i>JFQA</i>	No. of Members	Net to WFA	Rate	
1965		\$2	72	\$144					\$5/10 ⁶		24 ⁶	\$134		\$278
1966		2	322	322 ³	\$50	\$5 ³	1	\$45 ³	5	\$1 ³	112	448 ³	\$5	
1967		5 ¹	302	302 ³	50	6	7	308						610
1968		6 ¹	272	272 ³	50	6	3	132					3.50	404
1969		6 ¹	263	263 ³	50	6	4	172	10				4.50	435
1970		7 ¹	370	370 ³	75	9.50	4	262	15				4	632
1971	\$10	.50 ²	489	245	75	9.50	2	131	20	9.50	4	42	5	418
1972	10	.50 ²	511	256	75	15	2	120	20	9.50	4	42	7	418
1973	10	.50 ²	575	287 ³	75	15	14	845	20					1,132
1974	10	.50 ²	630	315 ³	75	15	8	690	20					1,005
1975	10	.50 ²	725	363	75	15	5	285	20		3	31.50 ³		680
1976	12.50	.50 ²	804	402	75	20	6 ⁴	345						747
1977	15.00	1.50 ²	869	1,304	100	30	4	220						1,524
1978	15.00	1.50 ²	885	1,328	100	25	11 ⁵	1,800						3,128
1979	17.50	2.00 ²	926	1,389	100	25	15	1,500						2,889
1980	17.50	2.00 ²	949	1,898	100	25	2	150						2,048
Totals				\$9,460				\$6,855						\$13,865

¹ Includes subscription to *JFQA*, leaving \$1 net to WFA per member.

² Starting in 1971 the *JFQA* collected from individuals at rates shown in first column, and transferred to WFA at rates shown in second column.

³ Estimated.

⁴ Plus seven corporate sponsors.

⁵ Including two at \$500 each.

⁶ Twenty at \$5; two at \$7; two at \$10.

⁷ Student category eliminated August 27, 1970; there had never been any student members.

Blanks indicate data not available.

SOURCE: [13].

Exhibit 13. American Finance Association: Dues, Membership Totals, and Dues Receipts

Year	Active Members		Sustaining Members		Institutional Members		Life Members	Student Members			Total Membership			
	No. of	Receipts	No. of	Receipts	No. of	Receipts		No. of	Receipts	Number	Receipts			
	Rate ¹	Members	Rate	Members	Rate	Members	Rate	Members	Receipts	Receipts	Receipts			
1962	\$5	1,453	\$7,186	\$10	217	\$2,170	85	\$6,050	\$2	525	\$1,049	2,280	16,455	
1963	5	1,596	7,933	10	252	2,462	71	5,175	2	530	1,099	2,449	16,669	
1964	5	1,751	8,676	10	270	2,687	50/100	76	5,850	3	575	1,598	2,672	18,811
1965	5	1,866	9,255	10	333	3,320	50/100	71	5,850	Life		577	2,847	19,002
1966	5	2,073	10,269	10	433	4,325	50/100	71	6,150	Members		374 ²	2,951	21,118
1967	5	2,253	11,153	15	470	4,690	50/100	74	6,170	Rate Members ² Receipts			2,797	22,013
1968	10	2,356	23,272	15	315	4,680	50/100	74	6,150				2,745	34,102
1969	10	2,784	26,438	15	298	4,246	50/100	86	7,650	\$150	16	\$2,400	3,184	40,734
1970	10	2,973	28,331	15	252	3,750	50/100	82	7,315	150	30	2,100	3,337	41,495
1971	10	2,840	26,979	15	262	3,869	50/100	74	6,345	150	45	1,350	3,221	38,543
1972	12.50	2,975	28,286	15	212	3,100	50/100	65	5,900	175	69	3,600	3,321	40,886
1973	12.50	2,920	33,902	15	188	2,820	50/100	59	5,615	175	76	1,225	3,243	43,562
1974	12.50	2,971	35,512	15	107	3,010	50/100	117	12,265	175	105	2,800	3,300	53,587
1975	17.50	3,020	37,747	15	201	3,075		121	6,500	275	114	2,475	3,456	49,797
1976	17.50	3,091	52,011	Category eliminated				121	10,650	275	125	1,467	3,337	64,128
1977	17.50	3,145	53,380					98	8,292	275	134	1,908	3,377	63,500
1978	17.50	3,180	54,113					70	5,450	325	151	4,500	3,401	64,063
1979	22.50									400				
1980	22.50													
Totals		\$454,443		\$48,204		\$117,277		\$23,825	\$4,697	\$648,455				
Percentages		70.1%		7.4%		18.1%		3.7%	0.7%	100.0%				

¹\$2 in 1940; \$3 in 1942 and 1946; \$5, 1947 through 1967.²Cumulative totals.³Category eliminated.

Blanks indicate data not available.

SOURCE: [1].

as regular members (Exhibit 13). The only other association to have solicited this class of members is the EFA, where receipts from this group during the years 1965 through 1976 were 13% of total dues receipts (Exhibit 15).

It appears that as associations mature, and as pressure to develop sources of revenue diminishes, their officers seem to regard this extra class of membership as not worth the bother.

Institutional and Corporate Members

The AFA and WFA have been successful in attracting institutional and corporate members at rates that yield significant revenues. At \$50 for smaller companies and \$100 for larger, the AFA received from this source nearly \$120,000 (18% of total dues receipts) during the 17-year period from 1962 through 1978 (Exhibit 13). The WFA, with rates that started at \$50 in 1967 and are now at \$100, received 49% of its dues revenues from this source during the period from 1967 through 1979; this included two contributions of \$500 each (Exhibit 12). While the total amount collected by the FMA from institutional and corporate members in a nine-year period was nearly \$6,000 (at rates rising from \$10 to \$100), this is not an outstanding showing for a national association with a strong orientation toward the corporate aspects of finance

(Exhibit 14). The only other association to have solicited this class of members is the EFA, where receipts from this group during the years 1965 through 1976 were 13% of total dues receipts (Exhibit 15).

There would seem to be no question that further development of corporate and institutional memberships would be of benefit to all academic finance associations: there are few costs involved except those associated with initial solicitation; continuation percentages should be high with proper attention; and the benefits achieved through interaction between academic members and practitioners should be considerable.

Student and Honor Society Members

Only three associations have offered special rates to students, and one of these, the WFA, never enrolled any members in this category (Exhibit 12). The FMA, which has encouraged development of honor societies since 1973, has received \$11,000 of dues from this source (not counting the year 1977, for which figures are not available). In addition, dues received from student members during four recent years have totaled almost \$10,000 (Exhibit 14). Without the stimulus of local chapter activities and reduced rates for dues

Exhibit 15. Eastern Finance Association: Dues, Membership Totals, and Dues Receipts

Calendar Years	Regular Members			Life Members			Institutional Members			Combined Totals*	
	Dues Rate	Number Paid	Total Receipts	Dues Rate	Number Paid	Total Receipts	Dues Rate	Number Paid	Total Receipts	No. of Members	Total Receipts
1965	\$3	77	\$321				\$10	11	\$110	88	\$431
1966	3	75	225				10	12	210 ³	86	435
1967	3	106	319				10	12	210 ³	117	529
1968	3	93	279				10	12	210 ³	104	489
1969	3	100	453				10	15	240 ³	114	693
1970	3	156	604				10	16	160	172	764
1971	5	206	903				10	16	160	222	1,063
1972	5	165	826	\$15 ²	1	\$15	25	3	75	169	901
1973	5	615	2,481	60	1	60	25	3	75	620	2,556
1974	5	486	2,461	60	2	120	25	10	255	500	2,716
1975	5	412	2,381	60	11	660	25	5	125	432	2,506
1976	5	550	2,550	100	2	200	25	8	200	575	2,750
1977	5	554 ¹	2,910 ¹	100	1	100	25			572	2,910
1978	8	438	4,253				25			4	4,253
1979	10		5,590				25			4	5,590
1980	10						25			4	

*Not including life-members' dues, that have been funded separately.

¹ Includes \$175 received from seven sustaining members at \$25 each.

² Retired.

³ Including grants from Syracuse University of \$100 per year.

⁴ Receipts included with figures for library subscriptions (see Exhibit 6).

Blanks indicate data not available.

SOURCE: Various reports of the association.

never held their annual meetings independently, the WFA started doing so in 1979, and the MFA has been operating semi-independently since 1972. In terms of publications, the WFA has been the most fortunate, with responsibility for its quarterly journal and annual proceedings issue having been assumed largely by the University of Washington. In similar fashion, for several years the SFA's proceedings issues were produced by the University of Georgia. The MFA and SWFA have each produced their own annual proceedings, that of the former having appeared as a refereed journal since 1972 financed entirely by the association, that of the latter produced with some assistance by universities. Recently the SFA and SWFA have joined with Texas Tech University in co-sponsorship of a new journal supported largely by surcharges on members' dues. As a result of these conservative practices, these four associations reported, at the close of their fiscal years ending in 1979, unencumbered cash balances ranging from \$2,000 to \$6,000 (Exhibit 16).

Three associations have always assumed full responsibility and a high degree of risk in connection

with publications, but two of these have offset this considerably by profitable independent operation of annual conventions. The over-riding determinant of the AFA's financial condition since 1962 has been increases in publication costs to which dues and subscription rates have been adjusted only after delays, apparently exaggerated in the latter case by effects of multi-year subscriptions already on the books. As a result, operating deficits aggregating more than \$25,000 were sustained in 1967, 1974, and 1978 (Appendix 1).

In contrast to the AFA, which has been financed almost entirely by nearly equal amounts of receipts from dues and library subscriptions, the EFA has received about 25% of general revenues during its 15 years of operation from net proceeds of annual meetings (even without inclusion of 3 years of meetings for which no reports are available) (Appendix 4). The significance of these meetings proceeds is highlighted further by the fact that their 10-year total is equal to about 70% of the \$27,000 cash balance at the end of September 1979.

Exhibit 16. Annual Cash Balances of Various Associations

Year *	AFA	EFA	WFA	FMA	MFA
1962	13,984				
1963	16,283				
1964	20,452				
1965	28,092	323	287		
1966	28,764	644	517		
1967	23,109	1,351	2,353		
1968	27,844	2,080	2,183		
1969	39,535	2,760	2,699		
1970	50,394	316	2,053	0	
1971	49,217	2,542	1,643	9,047 ²	
1972	57,473	797	1,854	20,981 ³	
1973	62,677	3,149	3,003	41,966 ³	
1974	50,522	3,699	3,721	48,001 ³	
1975	51,659 ⁴	8,298	2,441	42,758 ³	
1976	69,560 ⁴	13,048	2,751	55,496 ³	1,773
1977	94,659 ⁴	14,976	1,914	46,558 ³	2,841
1978	86,818 ⁴	19,882	3,600 ²	68,628 ³	3,868
1979		23,806	5,837 ²	98,694 ³	3,882
1980			7,771 ⁴	129,054 ^{3,4}	

* At close of fiscal years ending in years indicated.
SFA: 1979: \$3,867.

SWFA: 1979: \$2,119, including \$1,652 current value of trust fund established by Charles L. Prather (University of Texas at Austin) and Harold L. Dulan (University of Arkansas [8]).

¹ Includes balance in manuscript-evaluation-fee fund; 1978: \$6,929.

² Includes amounts due from JFQA for current membership dues; 1978: \$1,327; 1979: \$1,389.

³ Includes separate fund for life-members' dues; 1979: \$18,523.

⁴ August 1980.

Blanks indicate data not available.

SOURCE: AFA [1]; WFA [13]; MFA [10];

EFA and FMA: Various reports of the associations.

Figures for the FMA (Appendix 2) are not wholly comparable from year to year, because production and distribution of the journal, including collections of almost all revenues, including dues, was transferred to the University of Wisconsin Press for a period of about two years starting in the middle of 1975. Another reason for distortions has been lateness in publication of the journal; 1979 was only one of three years in which four issues appeared, and the first in which the four issues that appeared began to come out on schedule (Exhibit 5). Based upon the growth in library subscriptions achieved by the AFA, there is now considerable potential in this area for the FMA (Exhibit 6). As in the EFA, net proceeds of annual meetings are a growing and important source of revenues; in both 1978 and 1979 they covered more than half the net publishing deficit (Appendix 2).

All three of the associations operating on a high-risk basis have enjoyed strong cash positions which have provided excellent interest income amounting to one-sixth of total receipts in the case of the EFA (Exhibit 16 and Appendix 4).

As of the latest dates on which information is available (1978, 1979, or 1980), the net worths of the seven academic finance associations ranged from \$2,000 to \$129,000, all in cash or marketable securities. The total of such funds for the seven associations combined is almost \$260,000.

In terms of asset buildup, these associations appear to have done well; in terms of financial management, the analysis in this study should enable officers of the various associations to compare their performance with that of other groups and help them to plan for the future.

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Appendix 1. American Finance Association: Overall Financial Results

Years Ending September 30	Publication Revenues*				Revenues from other than Journal										
	Library Subscriptions (Exhibit 6)	Advertising (Exhibit 7)	Manuscript- evaluation fees** (Exhibit 8)	Sales of Back Issues and Royalties (Exhibit 9)	Total	Publication Expenses less Publication Revenues	General Expenses (20% of Total Expenses)	Publication Expenses (net) plus General Expenses	Dues (Exhibit 13)	Share of Annual-mtg Surplus (Exhibit 1)	Interest Earned	Miscellaneous	Total	Surplus for the Year	Net Worth at end of Fiscal Year
1962	16,070	4,881	2,782	1,919	9,582	6,488	4,017	10,505	16,455	721	101	175	17,452	6,947	13,984
1963	21,000	5,722	3,384	1,165	10,271	10,729	5,250	15,979	16,668	1,085	262	263	18,278	2,299	16,283
1964	23,901	7,756	3,628	1,433	12,817	11,084	5,975	17,059	18,811	1,417	421	129	20,778	3,719	20,452
1965	23,430	9,019	4,626	2,130	15,775	7,655	5,858	13,513	19,002	1,366	569	215	21,152	7,640	28,092
1966	33,335	10,185	4,853	2,568	17,606	15,729	8,334	24,063	21,118	2,843	774	0	24,735	672	28,764
1967	39,661	10,085	4,568	3,164	17,817	21,844	9,915	31,759	22,013	2,551	850	690	26,104	(5,655)	23,109
1968	46,241	16,367	4,899	2,596	23,862	22,379	11,560	33,939	34,102	1,997	889	1,686†	38,674	4,735	27,844
1969	51,215	23,117	6,874	2,949	32,940	18,275	12,804	31,079	40,734	940	1,096	0	42,770	11,691	39,535
1970	63,661	34,657	5,333	4,979	44,969	18,692	15,915	34,607	41,496	1,808	1,717	445	45,446	10,859	50,394
1971	69,847	38,244	4,640	1,458	44,342	25,505	17,462	42,967	39,543	961	2,286	0	41,790	(1,177)	49,217
1972	64,010	37,513	5,082	1,455	44,050	19,960	16,003	35,963	40,886	962	2,371	0	44,219	8,256	57,473
1973	74,364	47,304	4,193	2,040	53,537	20,827	18,591	39,418	43,562	(1,676)	2,536	200	44,622	5,204	62,677
1974	98,606	48,206	3,515	1,338	53,059	45,547	24,652	70,199	53,587	(44)	4,331	170	58,044	(12,155)	50,522
1975	97,402	65,454	4,025	1,161	72,965	24,437	24,351	48,788	49,797	(4,111)	3,511	49,197	66,538	(409)	51,659†
1976	96,135	65,302	3,881	2,691	71,532	24,603	24,034	48,637	64,128	(838)	3,248	66,538	68,585	17,901	69,560†
1977	96,481	64,940	5,259	4,186	77,894	18,587	24,120	42,707	63,580	1,349	3,656	68,585	68,585	25,878	94,659†
1978	123,576	66,990	6,095	3,425	77,998	45,578	30,891	76,469	64,063	(1,277)	5,840	68,626	68,626	(7,843)	86,818†
1979			(2,607)												

*Does not include receipts from sales of reprints, that are included as offsets to expenses in Exhibit 6.

**Manuscript-evaluation fees are not included in published financial statements; they are shown in a separate fund controlled by editor.

† Includes subsidy of \$1500 from New York University.

‡ Includes balance in manuscript-evaluation-fee fund; 1978: \$6,929.

Parentheses indicate deficits.

SOURCE: [1].

Appendix 2. Financial Management Association: Overall Financial Results

Calendar Year	Publication Revenues							Revenues from Other than Journal					Surplus for the Year (3,380)		
	Total Publication Expenses (Exhibit 5)	Library Subscriptions (Exhibit 6)	Advertising (Exhibit 7)	Manuscript-evaluation fees (Exhibit 8)	Sales of Reprints (net) and Royalties (Exhibit 9)	Total	Publication Expenses less Publication Revenues	Other Expenses (Exhibit 5)	Net Cost of Journal plus General Expenses of Association	Dues * (Exhibit 14)	Annual-mtg Surplus (Exhibit 1)	Interest Earned		Miscellaneous	Amortization of Life members' Dues
1970						3,380	3,380	3,380	6,365	1,090	174	100		7,729	2,733
1971						4,996	4,996	4,996	16,976	2,721	445	40		20,182	(2,014)
1972	16,280	2,369	476	420	(1,415)	1,850	14,430	22,196	27,918	2,818	2,163	30		32,929	8,964
1973	30,164	13,210	360	660	(652)	13,578	16,586	23,965	26,143	2,076	2,056	136	2,000	32,411	10,450
1974	30,085	11,165	1,340	940	262	13,707	16,378	21,961	26,088	5,347	1,689	6,163	1,000	40,287	3,069
1975	35,577	4,647	427	690	83	5,847	29,730	37,218	10,118			1,105	2,000	13,223	
1976	57,326			1,070		6,707			32,260	10,317	2,874	647	6,096	52,194	3,199
1977	60,337	11,415	150	811	(100)	12,276	48,061	55,393	36,259	14,422	2,895	4,046	2,000	59,622	24,450
1978	60,148	28,370	1,209	1,304	937	31,820	28,517	34,905	39,583	15,891	5,672	5,192	2,000	68,328	33,156
1979	57,938	26,598	1,666	1,627	1,669	31,560	26,378	35,172							

*Not including life-members' dues that are funded separately.

Blanks indicate data not available. Parentheses indicate deficits.

SOURCE: Various reports of the associations.

Year	Revenues					Total Expenses	Net Publishing Deficit*
	Subscriptions & Sales WFA	Adver- Other tise- ments	Other Income	Total Revenues	Total		
1967	1,192	1,980	250	486	3,908	8,586	4,678
1968	1,893	4,336	227	721	7,177	12,348	5,171
1969	1,219	4,401	191	966	6,777	13,801	7,024
1970	1,091	6,636	638	2,021	10,386	17,727	7,341
1971	1,435	14,825	1,047	2,953	20,260	23,565	3,305
1972	†	16,716	100	4,252	21,068	24,526	3,458
1973	†	17,247	250	3,737	21,234	27,567	6,333
1974	†	24,603‡	350	1,812	26,765‡	40,033‡	13,268
1975	†	26,738‡	195	630	27,563‡	40,576‡	13,013
1976	†	34,621‡	660	2,120	37,401‡	38,516‡	1,115
1977	†	37,623‡	85	2,522	40,230‡	42,388‡	2,158

* Absorbed by University of Washington.

† Included in Other Subscriptions and Sales.

‡ Not including payments of membership dues to WFA: 1974, \$386; 1975, \$363; 1976, \$402; 1977, \$435.

SOURCE: [6].

0. Dennis Tanner, "The Midwest Finance Association — Financial Statements," calendar years 1976, 1977, 1978, 1979, mimeographed.

1. Richard F. Wacht, letter of April 24, 1980, to Albert G. Sweeter.

2. Richard F. Wacht, "The Southern Finance Association:

The First Twenty Years, 1960–1979," *Journal of Financial Research* (Fall 1980), pp. 1–8.

13. Western Finance Association, "Treasurer's Report," *Journal of Financial and Quantitative Analysis — Proceedings Issue* (published annually, generally in November).

Appendix 4. Eastern Finance Association: Cash Receipts and Ending Cash Balances

Year	Journal-related Receipts				Net from			Total Receipts	Ending Cash Balances
	Library Subscript. (Exh 6)	Advertising (Exh 7)	Other (Exh 9)	Total	Annual Meetings (Exh 1)	Dues (Exh 15)	Interest		
1965	84			84		431	100	615	323
1966	141			141		435	206	782	644
1967	249	25		274	225	529	378	1,406	1,351
1968	304	75		379	320	489	555	1,743	2,080
1969	197	50		247	485	693	788	2,213	2,760
1970	584	25		609	1,005	764	987	3,365	316
1971	271	0		271	1,155	1,063	911	3,400	2,542
1972	388	50	15 ²	453		901	1,071	2,425	797
1973	256	200		456		2,556	1,193	4,205	3,149
1974	751	400		1,151		2,716	1,340	5,207	3,699
1975	1,000	300		1,300	2,269	2,506	1,464	7,539	8,298
1976	996	1,050		2,046	4,568	2,750	562	9,926	13,048
1977	688	600	30 ²	1,318	2,233	2,910	411	6,872	14,976
1978	1,202 ¹		885 ³	2,087	2,577	4,253	554	9,471	19,882
1979	4,491 ¹	650	15 ⁴	5,156	3,611	5,590	1,255	15,612	23,806
Total	11,802	3,425	945	15,972	18,488	28,581	12,459	74,781	
%	15.4%	4.5%	1.3%	21.2%	24.4%	37.9%	16.5%	100%	

¹ Includes Institutional dues.

² Sales of mailing list.

³ Sales of reprints: \$473; manuscript-evaluation fees: \$380; other: \$32.

⁴ Sales of back issues.

Blanks indicate data not available.

SOURCE: Various reports of the association.

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